CA 65-73 2 July 1965	
U. S. Government Washington, D. C.	
Attention: Contracting Officer	
Subject:	
Gentlemen:	
discent visit to our facility. The advisability of markeming contain his	tive durin
a recent visit to our facility. The advisability of performing certain hu was also discussed. As a result, is pleased to submit the f proposed tasks to be added to the present Scope of Work to be performe subject contract.	midity tes
was also discussed. As a result,is pleased to submit the f proposed tasks to be added to the present Scope of Work to be performe subject contract. Task I Modification	midity tes
proposed tasks to be added to the present Scope of Work to be performe subject contract.	midity tes
was also discussed. As a result, is pleased to submit the f proposed tasks to be added to the present Scope of Work to be performe subject contract. Task I Modification Modification of the Phase II Phasolver Test Model to incorporate a coarse channel and associated circuitry to provide for display	midity tes
was also discussed. As a result, is pleased to submit the f proposed tasks to be added to the present Scope of Work to be performe subject contract. Task I Modification Modification of the Phase II Phasolver Test Model to incorporate a coarse channel and associated circuitry to provide for display and printout of the encoded data. We believe this task can be accomplished in approximately two	midity tes
was also discussed. As a result, is pleased to submit the fiproposed tasks to be added to the present Scope of Work to be performe subject contract. Task I Modification Modification of the Phase II Phasolver Test Model to incorporate a coarse channel and associated circuitry to provide for display and printout of the encoded data. We believe this task can be accomplished in approximately two months for an estimated cost of	midity tes
was also discussed. As a result,	midity tes
was also discussed. As a result, solver list pleased to submit the forproposed tasks to be added to the present Scope of Work to be performe subject contract. Task I Modification Modification of the Phase II Phasolver Test Model to incorporate a coarse channel and associated circuitry to provide for display and printout of the encoded data. We believe this task can be accomplished in approximately two months for an estimated cost of Task II Humidity Test Humidity testing of the Phase II Phasolver Test Model to determine the efforts on system performance and operation at 30, 50 and 70 percent relative humidity. The results of this testing will be incorporated in the final report.	midity tes
was also discussed. As a result,	midity tes

Approved For Release 2006/03/16 : CIA-RDP78B04770A001800010012-0

U.S.	Governmen	t
------	-----------	---

2 July 1965

STAT

Estimated Funds Required to Complete Present Scope of Work (Letter CA 65-69, 6-17-65, Copy attached)

Total Estimated Contract Increase

Cost breakdowns are attached for convenience of evaluation.

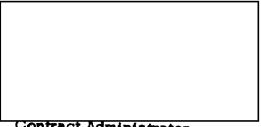
In passing, we would like to mention that funds were exhausted and work stopped on the original scope of work 16 June, 1965.

These Tasks, together with the two months time extension requested June 17, 1965 by letter CA 65-69, would extend the performance of the contract for approximately five months after receipt of authorization to proceed.

Should you require additional information, please do not hesitate to contact me.

Very truly yours,

STAT



Contract Administrator

Encl. OMS:sj

cc: Technical Representative w/encl.

CA 65-69 17 June 1965 U. S. Government Washington, D. C. Contracting Officer Attention: STAT Subject: Conference with Technical Consultant 6-11-65 A. Reference: Telcon with Contracting Officer 6-14-65 B. Telcon with Technical Representative 6-16-65 Gentlemen: This letter will confirm the information furnished during the above references. STAT advised that the funds allocated to subject By the above References, Contract were practically exhausted. During References B and C, we advised that an estimated cost to complete would be forwarded immediately. The thorough analysis which has been prepared indicates that the Contract can be and will require an additional 60 days. STAT completed for an additional total program cost is detailed in Appendix The revised estimate of A. and is compared with the prior estimate which was submitted in [letter CA 64-31 dated 8 April 1964. From this comparison it is obvious that in the direct costs of performance.STAT there has been a negligible increase [while there has been a significant change in the burden rate structure The indirect rates used in the estimated completion cost cited in letter Stat CA 64-31, dated 8 April 1964, were those which we had anticipated at that date STAT would reasonably reflect experience for fiscal years 1964 and 1965. However, now that the operating results for FY 64 and for the first seven months of FY 65 are a matter of history, and a more concrete estimate for the remainder of FY 65 has been made, it is obvious that these rates are no longer a reasonable guide. The major rate changes are in FY 65 and take place in Engineering Burden and G&A Expense. They have primarily been caused by a lag in the receipt of certain new orders (with consequent reduction in the bases used for calculating these rates) and a change in this Division's product line mix. It is to be noted

	CA 65-69 17 June 1965 Page Two		a.v.				
STAT		that has taken aggressive action to reduce indirect costs in parallel with these factors.					
	total cost effect of this fiscal y have been used	ecast for FY 65 year-end rates as the year-to-date rates ear. For this reason the curl in the preparation of the rehese rates can be readily vency	at the end of the fin trent seven month o vised estimated to	rst seven months perating rates al cost shown in	STAT		
	to various diffi have been doci	time requirement over the to culties experienced as the v imented as they occurred by a constituted primarily of pro	vork progressed. T the Monthly Progre	hese difficulties ss Reports sub-			
	rates set forth date actual rat contract billing the disallowan fiscal year onl in FY 65 at the be paid for cos	in the Contract transmittal less as adjusted per our Army procedure. Your reply of 1 ces incurred between Contract. We again request approvement of the cost to ces incurred in FY 65 at the at 1965) used in the cost to ce	etter to permit billi Audit Agency appro- 1 March 1965 appro- ct inception and the al to bill and be pa Alternately, we su- ctual seven months	ng at the year-to- ved cost-type oved billing for e end of the 1964 id costs incurred ggest that of fiscal year-to-	STAT		
•		Material Burden Manufacturing Burden Engineering Burden Bidding G&A	19.6% 140.0% 115.2% 4.6% 27.9%				
•	Your cooperation	on and rapid reply will be gre					
	Very truly your						
STAT							
			•		•		
	Contract Admin	istrator	,				
	OMS:ks				·		
	Enclosure: App	pendix A					
	cc: Technica	l Representative w/enclosur ed For Release 2006/03/16 : CIA-	6 DDD70D04770400400	2040042.0			
STAT	bcc:	eu Fui Release 2000/03/10 : CIA-	NDF / 0DU4/ / UAUU 10U	<i>7</i> 0 100 12-0			